

**COMMONWEALTH OF VIRGINIA
VIRGINIA PUBLIC BUILDING AUTHORITY
Board of Directors Meeting
November 8, 2005**

1:00 p.m.
3rd Floor Conference Room
James Monroe Building
101 North 14th Street,
Richmond, Virginia

Members Present: Sarah B. Williams, Chair
Priscilla Burbank, Vice Chair
David Von Moll
Myron J. Mintz

Member Participating
Via Telephone Conference
(Not Voting): Jody M. Wagner, Secretary/Treasurer
Monique Nadeau-Langridge
Steven R. Perkins

Others Present: Tracy L. Clemons, Sr. Department of Treasury
Calvin Johnson, Jr. Department of Treasury
Donald Ferguson, Esq. Office of the Attorney General
Eric E. Ballou, Esq. Christian & Barton, L.L.P.
Aida Chinloy Goldman Sachs, & Co.
Charles Shimer Troutman & Sanders, L.L.P.
Amanda Ray Troutman & Sanders, L.L.P.
Treasury Staff and others were also in attendance.

CALL TO ORDER

With a quorum present, the Chair, Ms. Williams, called the meeting to order at 1:09 p.m. She informed the Board that the published notice of the meeting did not include location information of those participating by phone, as required by the Freedom of Information Act. She explained that due to this omission, the participation of those members in attendance by phone would be limited. They would be allowed to listen, but could not make comments or cast votes. She apologized on behalf of staff for the oversight.

PUBLIC COMMENT

The Chair, Ms. Williams, asked if there were any members of the public present that wished to comment on Board activities. There was no public comment.

APPROVAL OF MINUTES

Mr. Mintz made a motion to approve the minutes of the October 12, 2005 meeting. The motion was seconded by Mr. Von Moll and unanimously approved by the Board members present. Mr. Mintz noted that recent minutes did not list all that were in attendance at the meetings, and expressed that it was important that the minutes document attendance, especially that of staff and

other the parties that assist the Authority. The members of the Board agreed and requested that the change be reflected in future minutes.

CONSIDERATION OF ISSUANCE OF VPBA VARIABLE RATE PUBLIC FACILITIES REVENUE BONDS, SERIES 2005D

Mr. Clemons directed the Boards attention to the Preliminary Financing Summary for the proposed issuance of up to \$50,000,000 Variable Rate Demand Bonds Series 2005D (Attachment A). He reminded the Board that they had discussed and approved the Authority's Variable Rate Debt Policy at their October 12, 2005 meeting. He noted that negotiations that were net yet complete at the time of the Board's October meeting, had been finalized and the Authority's initial variable rate demand bonds issue was ready to be presented for the Board's consideration. He provided a brief overview of the summary of the proposed issuance, which would be initially issued in the weekly mode with interest rates being reset weekly and payable each month. The bonds would be underwritten and remarketed by Goldman Sachs & Co., one of a pool of four remarketing agents competitively procured for the Commonwealth's appropriation supported issuers. Dexia Credit Local would serve as liquidity provider under a Stand By Bond Purchase Agreement. They too had been competitively procured to serve the Commonwealth along with one additional liquidity provider.

Mr. Clemons added that the 2005D bond would mature August 1, 2025, however mandatory redemption provisions required portions of the principal to be deposited into a mandatory sinking fund each year beginning in 2022. As a result, this issue taken in conjunction with the Series 2005C bonds (16 year term), would provide the standard 20 years of level debt service structure, while allowing the Commonwealth the potential benefit of replacing the higher long term rates in the final four years, with the lower short term variable rates during those final years. Eric Ballou Bond Counsel, reviewed the Resolution and addressed questions from the Board related to the documents, mechanics and ongoing administrative requirements related to the issue. Upon completion of the discussion period, Ms. Burbank moved to adopt the Resolution (Attachment B), Mr. Mintz seconded and the motion carried unanimously

OTHER BUSINESS

Update on Sale of Series 2005C Bonds

Mr. Clemons directed the Board to the Final Financing Summary (Attachment C) contained in the Board Package and provided a brief summary of the results of the sale of the Authority's \$165,810,000 Public Facilities Revenue Bonds, Series 2005C (the "2005C Bonds"). The 2005C Bonds were sold on November 8, 2005 on a competitive basis, at a true interest cost of 4.0253% to a syndicate led by Morgan Stanley & Co.

ADJOURNMENT

Having no other business to be brought before the Board, the meeting was adjourned at 1:47 p.m.

Respectfully submitted,

Tracy L. Clemons, Sr.

Assistant Secretary/Treasurer #2

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(ATTACHMENT A)

PRELIMINARY FINANCING SUMMARY

**Virginia Public Building Authority
\$50,000.000* Variable Rate Public Facilities Revenue Bonds, Series 2005D
November 1, 2005**

Title: \$50,000,000* Variable Rate Public Facilities Revenue Bonds, Series 2005D (the “2005D Bonds”).

Issuer: Virginia Public Building Authority (the “Authority”).

Constitutional Reference: Article X, Section 9(d).

Legislative Reference: Virginia Public Building Authority Act of 1981, Article 6, Chapter 22, of the *Code of Virginia* of 1950, as amended.

Purpose: The proceeds of the Bonds will be used to (i) finance certain capital projects for use by the Commonwealth of Virginia, (ii) to provide funding for the Commonwealth’s share of the cost of local and regional jail and juvenile detention construction projects, and (iii) to pay the costs of issuing the 2005D Bonds. (*See attached project list.*)

Security: Payment Agreement between the Authority and the Treasury Board providing for certain amounts appropriated by the General Assembly to be paid to the Authority to make payments of debt service on the 2005D Bonds and all other bonds issued under the Master Indenture.

Method of Sale: Negotiated

Sale Date: December 6, 2005*

Dated Date: December 1, 2005

Delivery Date: December 7, 2005*

Bond Structure: Variable Rate Demand Bonds maturing in 2025, initially issued in a Weekly Interest Mode, with interest rate re-set each week and payable on the first business day of each month. Subject to optional and mandatory redemption prior to maturity.

Payment Dates: *Principal:* Mandatory Sinking Fund Redemption August 1, 2022 through 2024 with final maturity of August 1, 2025.
Interest: Monthly on first business day of each month; beginning January 3, 2006

PRELIMINARY FINANCING SUMMARY

Virginia Public Building Authority \$50,000.000* Variable Rate Public Facilities Revenue Bonds, Series 2005D November 1, 2005

Optional

Redemption

Provision: The 2005 Bonds may be redeemed, in whole or in part, prior to their respective maturities at the sole option of the Authority, at par plus accrued interest to the redemption date.

Denomination: \$100,000 or any integral multiple of \$5,000 in excess thereof.

Registration

Provisions: Book-entry-only through the facilities of The Depository Trust Company.

Initial Interest Rate: TBD

Expected Ratings:		<u>Long-Term</u>	<u>Short-Term</u>
		AA+	F-1+
	Fitch Ratings:	AA+	F-1+
	Moody's Investors Service:	Aa1	VMIG-1
	Standard & Poor's:	AA+	A-1+

Remarketing Agent: Goldman Sachs & Co.

Remarketing Agent

Counsel: Troutman Sanders LLP

Liquidity Provider: Dexia Credit Local, New York, NY

Bond Counsel: Christian & Barton, L.L.P., Richmond, Virginia

Financial Advisor: Public Resources Advisory Group, New York, NY

Trustee &

Tender Agent: The Bank of New York, New York, New York.

Estimated Costs

Of Issuance: \$225,000* excluding underwriters' discount

(ATTACHMENT B)

**RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND AWARD OF VARIABLE
RATE PUBLIC FACILITIES REVENUE BONDS, SERIES 2005D, BY THE
VIRGINIA PUBLIC BUILDING AUTHORITY**

WHEREAS, the Virginia Public Building Authority (the “Authority”) is empowered by the Virginia Public Building Authority Act of 1981, Article 6, Chapter 22, Title 2.2, Code of Virginia of 1950, as amended (the “Act”), among other things, to issue revenue bonds and refunding bonds to finance and refinance, respectively, the acquisition, construction, improvement, furnishing and equipping of public facilities for use by the Commonwealth of Virginia (the “Commonwealth”) and its agencies and to finance and refinance the Commonwealth’s share of the costs of certain capital projects made pursuant to applicable Virginia law (together, the “Projects”) and to pay the costs of issuance of such bonds;

WHEREAS, the Authority has entered into (a) a Master Indenture of Trust, dated as of April 15, 1997 (the “Master Indenture”), with Signet Trust Company (predecessor in interest to The Bank of New York) as trustee (the “Trustee”), providing for the issuance from time to time of the Authority’s Public Facilities Revenue Bonds, and (b) a Payment Agreement, dated as of April 15, 1997, with the Treasury Board of the Commonwealth providing for certain amounts appropriated by the General Assembly to be paid to the Authority to make payments of debt service on all bonds issued under the Master Indenture and, with respect thereto, to make payments of certain credit and liquidity facility fees constituting administrative expenses;

WHEREAS, the Authority has determined to issue its Variable Rate Public Facilities Revenue Bonds, Series 2005D (the “Bonds”), and to sell the Bonds pursuant to a negotiated underwriting with Goldman, Sachs & Co., as underwriter (the “Underwriter”), to (a) finance or refinance the acquisition, construction, improvement, rehabilitation, furnishing and equipping of various public facilities for use by the Commonwealth and its agencies, (b) finance or pay the costs of certain regional and local jail and juvenile detention facility projects, and (c) pay costs of issuance of the Bonds, or any combination of the foregoing;

WHEREAS, the Authority has received a proposal from Dexia Crédit Local, New York Branch (the “Liquidity Provider”) to provide a liquidity facility in the form of a Standby Bond Purchase Agreement to provide for the availability of funds for the purchase of such Bonds that are tendered for purchase but are not remarketed;

WHEREAS, there have been presented to the Authority at this meeting drafts of the following documents (together, the “Bond Documents”):

(a) Official Statement, to be dated the date of its distribution (the “Official Statement”), with respect to the offering of the Bonds, describing, among other things, the Bonds while bearing interest in daily and weekly modes, the Authority and the initial projects to be financed with the Bonds;

(b) Bond Purchase Agreement, to be dated the date of its execution and delivery (the “Bond Purchase Agreement”), between the Authority and the Underwriter, setting forth

the structure and terms of the sale of the Bonds and of the award by the Authority to the Underwriter;

(c) Seventeenth Supplemental Indenture of Trust, draft to be dated as of December 1, 2005 (the "Seventeenth Supplemental Indenture"), between the Authority and the Trustee, including the form of the Bonds, authorizing the issuance of the Bonds and providing for the security therefor, all pursuant to the terms of the Master Indenture and the Projects to be financed with the proceeds of the Bonds;

(d) Remarketing Agreement, draft to be dated as of December 1, 2005 (the "Remarketing Agreement"), between the Authority and Goldman, Sachs & Co. in its capacity as remarketing agent (the "Remarketing Agent") for the Bonds, providing for the remarketing from time to time of the Bonds while in a variable rate mode;

(e) Standby Bond Purchase Agreement, draft to be dated as of December 1, 2005 (the "Liquidity Agreement"), between the Authority and the Liquidity Provider, providing for the purchase of tendered Bonds that are not remarketed;

(f) The forms of Facilities Agreement and Amendment to Facilities Agreement with respect to the Projects or managing agents already the subject of prior facilities agreements (together, such facilities agreements and amendments, as applicable, the "2005D Facilities Agreements"), providing for certain matters regarding the operation and use of such projects; provided, however, that the departments, agencies and institutions of the Commonwealth amending a Facilities Agreement will be those acting as managing agents with respect to applicable Projects or prior Authority projects; and

(g) Continuing Disclosure Agreement, draft to be dated as of December 1, 2005, providing for the provision of certain information to the secondary market.

NOW, THEREFORE, BE IT RESOLVED BY THE VIRGINIA PUBLIC BUILDING AUTHORITY THAT:

1. Issuance and Sale of Bonds. Pursuant to the Act, the Authority authorizes the issuance of the Bonds in accordance with the Seventeenth Supplemental Indenture and the sale thereof in accordance with the Bond Purchase Agreement; *provided, however*, that (a) the aggregate principal amount of the Bonds shall not exceed \$60,000,000; (b) the final stated maturity of the Bonds shall not be later than August 1, 2026; and (c) the Bonds shall be sold to the Underwriter at a price not less than 98% of the aggregate principal amount thereof (provided that the Underwriter shall market the Bonds upon their initial issuance at the interest rate set forth in the following paragraph at a price of par).

The Authority hereby determines that the Bonds shall bear interest from time to time at rates as provided in the Seventeenth Supplemental Indenture, subject to changes in interest rate mode from time to time as provided in the Seventeenth Supplemental Indenture, with the initial such interest rate mode being a weekly rate mode (provided that the interest rate mode for the Bonds upon their initial issuance may be for such period as to accommodate the closing date and the weekly rate mode provisions of the Seventeenth Supplement Indenture); and provided that the maximum variable rate on the Bonds shall not exceed the Maximum Rate (as defined in the Seventeenth Supplemental Indenture).

2. Delegation to State Treasurer. The Authority hereby delegates to the State Treasurer the power with respect to the Bonds, subject to the limitations set forth in the preceding paragraph, (a) to determine and approve the details of the Bonds, including, without limitation, their designations, maturity schedule, interest rate modes, including their initial rate, and redemption provisions, as will best effect the purposes and provisions of the Act and this Resolution; (b) to approve the form of all documents that are appropriate to carry out the contemplated financing; (c) to postpone or cancel the sale of the Bonds or change the dated date of the Bonds (including their name or series designation) and the documents herein approved, if in her sole discretion market and other conditions so warrant; (d) to determine the interest rate mode for the Bonds from time to time; and (e) to take all such further action as may be necessary or desirable for the issuance, sale and delivery of the Bonds.

3. Approval of Remarketing Agent and Liquidity Provider. The Authority hereby approves (i) Goldman, Sachs & Co., as the Remarketing Agent for Bonds that may be tendered for purchase and remarketing from time to time by the holders thereof, on the terms and conditions set forth in the Remarketing Agreement, and (ii) Dexia Crédit Local, New York Branch, as the Liquidity Provider to make available funds for the purchase of such Bonds that are tendered for purchase but are not remarketed, on the terms and conditions set forth in the Liquidity Agreement.

4. Seventeenth Supplemental Indenture, Bond Purchase Agreement, Remarketing Agreement, Liquidity Agreement, Continuing Disclosure Agreement, and 2005D Facilities Agreements. The Seventeenth Supplemental Indenture, Bond Purchase Agreement, Remarketing Agreement, Liquidity Agreement, Continuing Disclosure Agreement and the 2005D Facilities Agreements (collectively, the “Bond Documents”) shall be in substantially the forms presented at this meeting, which are approved, with such completions, omissions, additions and changes, including those necessary to reflect the Projects and the specifics determined in accordance with Paragraphs 1 and 2 hereof, as shall be approved by the Chairman, Vice-Chairman or Secretary/Treasurer of the Authority. The Chairman, the Vice-Chairman or the Secretary/Treasurer, any of whom may act, is authorized and directed to execute the Bond Documents, which execution shall constitute conclusive evidence of approval of any such completions, omissions, additions and changes, and to determine the Projects from time to time to be financed with proceeds of the Bonds. The Seventeenth Supplemental Indenture may have a different numbered supplemental designation if necessary or desirable. The executed Seventeenth Supplemental Indenture shall be delivered to the Trustee.

5. Official Statement. The Official Statement, in substantially the form presented at this meeting with such completions, omissions, additions and changes as shall be approved by the State Treasurer (the Secretary/Treasurer of the Authority) or her staff in connection with the offering and sale of the Bonds and the financing of the Projects is approved and the distribution thereof is authorized. The Chairman or Vice-Chairman of the Authority, either of whom may act, is authorized and directed to execute the Official Statement, which execution shall constitute conclusive evidence of his or her approval of the Official Statement. The Authority authorizes and approves the distribution and use of the Official Statement by the Underwriter and by the Remarketing Agent.

6. Preparation of Bonds. The Chairman or the Vice-Chairman of the Authority, either of whom may act, and the Secretary/Treasurer or Assistant Secretary/Treasurer of the Authority, either of whom may act, are authorized and directed (a) to have the Bonds prepared and executed pursuant to the Master Indenture and the Seventeenth Supplemental Indenture, (b) to

deliver them to the Trustee for authentication, and (c) to cause the Bonds so executed and authenticated to be delivered to, or for the account of, the Underwriter upon payment of the purchase price as provided in the Bond Purchase Agreement.

7. Other Undertakings. The Authority authorizes and directs its staff, its financial advisor, Public Resources Advisory Group, and its bond counsel, Christian & Barton, L.L.P., to take such actions as shall be necessary or appropriate to obtain a rating or ratings for the Bonds from Fitch, Inc., Moody's Investors Service and/or Standard & Poor's Rating Services.

8. Other Documents. The Authority further authorizes and directs its officers to execute and deliver all certificates, instruments and documents and to take such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bonds, including, without limitation, execution and delivery of (i) a tender agent agreement for the Trustee to serve as tender agent for the Bonds, if required, and (ii) a non-arbitrage certificate and tax compliance agreement setting forth the expected use and investment of proceeds of the Bonds to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations issued pursuant thereto (the "Code"), applicable to "arbitrage bonds," making any elections that such officers deem desirable regarding any provision requiring rebate to the United States of arbitrage profits earned on the investment of proceeds of the Bonds, providing for payment of any such rebate amount and providing for ongoing compliance to maintain the tax-exempt status of the Bonds.

9. Other Actions. The Authority approves and confirms all other actions of its officers and staff that are in conformance with the purpose or intent of this resolution and in furtherance of the issuance and sale of the Bonds.

10. Conflicting Resolutions. All resolutions or parts of resolutions in conflict herewith are repealed.

11. Effective Date. This resolution shall take effect immediately and shall continue in full force and effect for a period of six months, unless specifically extended or the Bonds are issued.

(ATTACHMENT C)

FINAL FINANCING SUMMARY

**Virginia Public Building Authority
\$165,810,000 Public Facilities Revenue Bonds, Series 2005C
November 9, 2005**

Title:	\$165,810,000 Public Facilities Revenue Bonds, Series 2005C (the “2005C Bonds”).
Issuer:	Virginia Public Building Authority (the “Authority”).
Constitutional Reference:	Article X, Section 9(d).
Legislative Reference:	Virginia Public Building Authority Act of 1981, Article 6, Chapter 22, of the <i>Code of Virginia</i> of 1950, as amended.
Purpose:	The proceeds of the Bonds will be used to (i) finance certain capital projects for use by the Commonwealth of Virginia, (ii) to provide funding for the Commonwealth’s share of the cost of local and regional jail and juvenile detention construction projects, and (iii) to pay the costs of issuing the 2005C Bonds. <i>(See attached project list.)</i>
Security:	Payment Agreement between the Authority and the Treasury Board providing for certain amounts appropriated by the General Assembly to be paid to the Authority to make payments of debt service on the 2005C Bonds and all other bonds issued under the Master Indenture.
Method of Sale:	Competitive.
Sale Date:	November 8, 2005
Dated Date:	November 1, 2005
Delivery Date:	November 22, 2005
Bond Structure:	Serial bonds maturing annually in years 2005 through 2022, paying current semiannual interest and annual principal and structured on a level debt basis.
Payment Dates:	<i>Principal:</i> Annually on August 1, beginning August 1, 2006; with a final maturity of August 1, 2022. <i>Interest:</i> Semi-annually on February 1 and August 1; beginning February 1, 2006

FINAL FINANCING SUMMARY

Virginia Public Building Authority
\$165,810,000 Public Facilities Revenue Bonds, Series 2005C
November 9, 2005

Optional

Redemption

Provision: The 2005 Bonds may be redeemed, in whole or in part, prior to their respective maturities at the sole option of the Authority on or after August 1, 2015, at par plus accrued interest to the redemption date.

Denomination: \$5,000 or multiples thereof.

Registration

Provisions: Book-entry-only through the facilities of The Depository Trust Company.

True Interest Cost: 4.025345%

Ratings:

Fitch Ratings:	AA+
Moody's Investors Service:	Aa1
Standard & Poor's:	AA+

Underwriter: Morgan Stanley & Co.

Bond Counsel: Christian & Barton, L.L.P., Richmond, Virginia

Financial Advisor: Public Resources Advisory Group, New York, NY

Trustee: The Bank of New York, New York, New York.

Estimated Costs

Of Issuance: \$150,000 excluding underwriters' discount